

October 6, 2003

The Honorable William M. Thomas
Chairman
Committee on Ways and Means
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Thomas:

As you prepare to take up legislation (H.R. 2896) responding to the WTO's ruling against the Extraterritorial Income ("ETI") provisions of the tax code, I want you to know that your efforts have the strong support of General Motors.

Enactment of H.R. 2896 would have a very positive impact on the U.S. economy. It demonstrates the resolve of the United States to honor its international trade obligations and makes U.S. tax laws more competitive with our global trading partners. General Motors strongly supports your proposals to extend the foreign tax credit carryover period, to repeal the 90-percent AMT limit on foreign tax credits, and to provide domestic loss resourcing, among other international provisions. GM is also encouraged about changes to the research and development tax credit that would provide a meaningful incentive for many companies to locate R&D jobs in the United States.

Thank you for your continuing efforts to bolster the U.S. economy through growth-oriented fiscal policies. We look forward to assisting you in getting this important legislation enacted.

Sincerely,

Rich Wagoner